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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 3rd November, 1965:—

BILL No. 67 OF 1965

A Bill further to amend the Income-tax Act, 1961, the Estate Duty Act, 1953, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and to provide for exemption from tax in certain cases of undisclosed income invested in National Defence Gold Bonds, 1980.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. This Act may be called the Taxation Laws (Amendment and Miscellaneous Provisions) Act, 1965.

5 2. In section 2 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in sub-clause (iv) of clause (14), after the figures "1980", the following shall be inserted, namely:—

"or National Defence Gold Bonds, 1980".

10 3. In section 10 of the Income-tax Act, after sub-clause (i) of clause (15), the following sub-clause shall be inserted, namely:—

"(ia) annual payment on National Defence Gold Bonds, 1980 ;

Amendment
of section
193.

4. In section 193 of the Income-tax Act, in the proviso, after clause (i), the following clause shall be inserted, namely:—

“(ia) any interest payable to an individual on $4\frac{1}{4}$ per cent. National Defence Loan, 1968, or $4\frac{1}{4}$ per cent. National Defence Loan, 1972; or”.

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Amendment
of Act 34 of
1953.

5. In the Estate Duty Act, 1953,—

(i) in sub-section (1) of section 33, after clause (o), the following clause shall be inserted, namely:—

“(p) National Defence Gold Bonds, 1980, to the extent of the principal value of such Bonds for an aggregate weight of fifty kilogrammes of gold:

Provided that if such Bonds had passed on the death of any person, the exemption conferred by this clause shall not be available in respect of the same Bonds passing on any subsequent death.”;

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(ii) in sub-section (1) of section 34, in clause (a), for the brackets, letters and word “(n) and (o)”, the brackets, letters and word “(n), (o) and (p)” shall be substituted.

Amendment
of Act 27 of
1957.

6. In section 5 of the Wealth-tax Act, 1957, in sub-section (1), for clause (xvii), the following clause shall be substituted, namely:—

“(xvii) $6\frac{1}{2}$ per cent. Gold Bonds, 1977, 7 per cent. Gold Bonds, 1980 and National Defence Gold Bonds, 1980;”.

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Amend-
ment
of Act 18
of 1958.

7. In section 5 of the Gift-tax Act, 1958, in sub-section (1), after clause (iii), the following clause shall be inserted, namely:—

“(iiia) of property in the form of National Defence Gold Bonds, 1980, not exceeding the value of such Bonds for an aggregate weight of five kilogrammes of gold in any previous year:

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Provided that the exemption conferred by this clause shall be available only to a person who has initially subscribed to the said Bonds;”.

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Exemption
from tax in
certain cases
of undisclo-
sed income
invested in
National De-
fence Gold
Bonds, 1980.

8. (1) Where a person who has acquired any gold out of his income which has not been disclosed by him for the purposes of the Indian Income-tax Act, 1922, or the Income-tax Act, 1961, or the Excess Profits Tax Act, 1940, or the Business Profits Tax Act, 1947, or the Super Profits Tax Act, 1963, or the Companies (Profits) Surtax Act, 1964, tenders such gold as subscription for the National Defence Gold Bonds, 1980, prior to the detection of such income by the Income-

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11 of 1922.
43 of 1961.
15 of 1940.
21 of 1947.
14 of 1963.
7 of 1964.

tax Officer or the seizure of such gold under any law for the time being in force, such income shall, notwithstanding anything contained in the said Acts, not be included in his income, profits or gains chargeable to tax under the said Acts in an assessment or re-assessment for any assessment year made under the said Acts on or after the 20th day of October, 1965.

27 of 1957. (2) In computing the net wealth of a person under the Wealth-tax Act, 1957, the value of the assets represented by the income, which under sub-section (1) is not includible in his income, profits or gains, shall, notwithstanding anything contained in the said Act, not be taken into account in an assessment or re-assessment for any assessment year made under the said Act on or after the 20th day of October, 1965.

15 (3) (a) The name of the person subscribing to the National Defence Gold Bonds, 1980, and any particulars relating to the Bonds subscribed to by him, shall be treated as confidential, and, notwithstanding anything contained in any law for the time being in force, no court shall be entitled to require any public servant to disclose the name of such person or any such particulars or to give any evidence 20 in respect thereof.

(b) No public servant shall disclose the name of the person subscribing to the National Defence Gold Bonds, 1980 or any particulars relating to the Bonds subscribed to by him, except to an officer employed in the execution of any of the Acts mentioned in sub-section 27 of 1957. 25 (1) or the Wealth-tax Act, 1957 or to any officer appointed by the Comptroller and Auditor-General of India or the Central Board of Direct Taxes (constituted under the Central Boards of Revenue Act, 54 of 1963. 1963) to audit income-tax receipts or refunds.

(4) In this section,—

30 (a) "gold" means gold, including its alloy, whether virgin, melted, re-melted, wrought or unwrought, in any shape or form, and includes any gold coin (whether legal tender or not), any ornament and any other article of gold;

35 (b) "public servant" includes an officer or other employee of the Reserve Bank of India.

5 of 1965. 9. (1) The Taxation Laws (Amendment and Miscellaneous Provisions) Ordinance, 1965 is hereby repealed. Repeal and saving.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done 40 or taken under this Act as if this Act had commenced on the 19th day of October, 1965.

STATEMENT OF OBJECTS AND REASONS

The object of the Bill is to replace the Taxation Laws (Amendment and Miscellaneous Provisions) Ordinance, 1965 (5 of 1965) which was promulgated by the President on the 19th October, 1965. The Bill seeks to provide the following tax concessions to persons investing in the 4½% National Defence Loan, 1968, the 4½% National Defence Loan, 1972 and the National Defence Gold Bonds, 1980, *inter alia*, by amending the Income-tax Act, 1961, the Estate Duty Act, 1953, the Wealth-tax Act, 1957 and the Gift-tax Act, 1958:

(1) *National Defence Loans*.—In the case of a resident individual holding these loans, the interest thereon will be paid without deduction of income-tax at source.

(2) *National Defence Gold Bonds, 1980*.—(i) Persons who have acquired the gold subscribed by them towards the Bonds out of their income which they have not disclosed for the purposes of income-tax, excess profits tax, business profits tax, super-profits tax or sur-tax, will not be liable to any of these taxes on such income in assessments for any assessment year made after the 19th October 1965, if the income had not been detected by the Income-tax Officer before the date on which the gold was subscribed towards the Bonds and the gold offered for subscription had not been seized, under any law, before the date of the subscription. The assets represented by such undisclosed income will not be liable to inclusion in the net wealth of such persons in assessments for any assessment year made after the 19th October, 1965. The identity of the persons subscribing to the Bonds and the particulars relating to the Bonds will be treated as confidential and courts will be barred from requiring any public servant to give any evidence pertaining thereto.

(ii) The annual payment on the Bonds will be wholly exempt from income-tax.

(iii) No capital gain or loss will be computed in respect of the sale or transfer of the Bonds by any person.

(iv) The value of the Bonds will be excluded from the net wealth of the holder for the purpose of wealth-tax.

(v) Gifts of Bonds by a person who has originally subscribed to them will be exempt from gift-tax to the extent of Bonds up to five kilogrammes of gold, for each year.

(vi) Bonds up to fifty kilogrammes of gold will not be included for the purposes of estate duty in the dutiable estate of a holder, for the first time they pass on a death.

NEW DELHI;

T. T. KRISHNAMACHARI.

The 25th October, 1965.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND
274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F. 1(349)65-TPL, dated the 28th October, 1965 from Shri Bali Ram Bhagat, Minister of Planning to the Secretary, Lok Sabha.]

* * * * *

The President having been informed of the subject matter of the Taxation Laws (Amendment and Miscellaneous Provisions) Bill, 1965 has recommended under clause (1) of article 117 and under clause (1) of article 274 of the Constitution the introduction in and consideration by the Lok Sabha of the Bill.

S. L. SHAKDHER,
Secretary.

CORRIGENDA

In the Gazette of India Extraordinary, Part II— Section 2—

1. No. 33, dated the 16th August, 1965:—

- (i) Page 622, line 23, for 'Board shall be authenticated by the signature of an officer of the' read 'Board shall, as soon as possible after the commencement of each';
- (ii) Page 642, line 35, marginal reference, for '43 of 1951.' read '43 of 1961.';
- (iii) Page 643, line 33, marginal reference, for '23 of 1947.' read '24 of 1947.'; and
- (iv) Page 661, line 25, marginal reference, for '0 of 1949.' read '10 of 1949.'.

2. No. 34, dated the 18th August, 1965:—

Page 690, line 4, after 'Director' insert 'General'.

3. No. 35, dated the 19th August, 1965:—

- (i) Page 790, line 36, against 'Superintendents', for '00' read '100'; and
- (ii) Page 791, line 4, against 'Chemical Assistants', for '00' read '30'.

4. No. 42, dated the 21st September, 1965:—

- (i) Page 936, line 9, for 'ingringement' read 'infringement';
- (ii) Page 944, line 20, after 'accompanied' insert 'the'; and
- (iii) Page 962, line 39, for 'with' read 'without'.

